

By: Gutierrez

S.B. No. 622

A BILL TO BE ENTITLED

AN ACT

relating to the new technology implementation grant program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 386.252(a), Health and Safety Code, is amended to read as follows:

Sec. 386.252. USE OF FUND. (a) Money in the fund may be used only to implement and administer programs established under the plan. Subject to the reallocation of funds by the commission under Subsection (h), money appropriated to the commission to be used for the programs under Section 386.051(b) shall initially be allocated as follows:

(1) four percent may be used for the clean school bus program under Chapter 390;

(2) six [~~three~~] percent may be used for the new technology implementation grant program under Chapter 391, from which at least \$1 million will be set aside for electricity storage projects related to renewable energy;

(3) two [~~five~~] percent may be used for the clean fleet program under Chapter 392;

(4) not more than \$3 million may be used by the commission to fund a regional air monitoring program in commission Regions 3 and 4 to be implemented under the commission's oversight, including direction regarding the type, number, location, and operation of, and data validation practices for, monitors funded by

1 the program through a regional nonprofit entity located in North
2 Texas having representation from counties, municipalities, higher
3 education institutions, and private sector interests across the
4 area;

5 (5) 10 percent may be used for the Texas natural gas
6 vehicle grant program under Chapter 394;

7 (6) not more than \$6 million may be used for the Texas
8 alternative fueling facilities program under Chapter 393, of which
9 a specified amount may be used for fueling stations to provide
10 natural gas fuel, except that money may not be allocated for the
11 Texas alternative fueling facilities program for the state fiscal
12 year ending August 31, 2019;

13 (7) not more than \$750,000 may be used each year to
14 support research related to air quality as provided by Chapter 387;

15 (8) not more than \$200,000 may be used for a health
16 effects study;

17 (9) at least \$6 million but not more than \$8 million is
18 allocated to the commission for administrative costs, including all
19 direct and indirect costs for administering the plan, costs for
20 conducting outreach and education activities, and costs
21 attributable to the review or approval of applications for
22 marketable emissions reduction credits;

23 (10) six percent may be used by the commission for the
24 seaport and rail yard areas emissions reduction program established
25 under Subchapter D-1;

26 (11) five percent may be used for the light-duty motor
27 vehicle purchase or lease incentive program established under

1 Subchapter D;

2 (12) not more than \$216,000 is allocated to the
3 commission to contract with the Energy Systems Laboratory at the
4 Texas A&M Engineering Experiment Station annually for the
5 development and annual computation of creditable statewide
6 emissions reductions obtained through wind and other renewable
7 energy resources for the state implementation plan;

8 (13) not more than \$500,000 may be used for studies of
9 or pilot programs for incentives for port authorities located in
10 nonattainment areas or affected counties to encourage cargo
11 movement that reduces emissions of nitrogen oxides and particulate
12 matter; and

13 (14) the balance is to be used by the commission for
14 the diesel emissions reduction incentive program under Subchapter C
15 as determined by the commission.

16 SECTION 2. Section 391.002, Health and Safety Code, is
17 amended to read as follows:

18 Sec. 391.002. GRANT PROGRAM. (a) The commission shall
19 establish and administer a new technology implementation grant
20 program to assist the implementation of new technologies to reduce
21 emissions from facilities and other stationary sources in this
22 state. The commission may establish a minimum capital expenditure
23 threshold for projects under Subsection (b)(2). Under the program,
24 the commission shall provide grants or other financial incentives
25 for eligible projects to offset the incremental cost of emissions
26 reductions.

27 (b) Projects that may be considered for a grant under the

1 program include:

2 (1) advanced clean energy projects, as defined by
3 Section 382.003;

4 (2) new technology projects that reduce emissions of
5 regulated pollutants from stationary sources;

6 (3) new technology projects that reduce emissions from
7 upstream and midstream oil and gas production, completions,
8 gathering, storage, processing, and transmission activities
9 through:

10 (A) the replacement, repower, or retrofit of
11 stationary compressor engines;

12 (B) the installation of systems to reduce or
13 eliminate the loss of gas, flaring of gas, or burning of gas using
14 other combustion control devices; or

15 (C) the installation of systems that reduce
16 flaring emissions and other site emissions [~~by capturing waste heat
17 to generate electricity solely for on-site service~~]; and

18 (4) electricity storage projects related to renewable
19 energy, including projects to store electricity produced from wind
20 and solar generation that provide efficient means of making the
21 stored energy available during periods of peak energy use.

22 SECTION 3. Section 391.205, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 391.205. PREFERENCES. (a) Except as provided by
25 Subsection (c), in awarding grants under this chapter the
26 commission shall give preference to projects that:

27 (1) involve the transport, use, recovery for use, or

1 prevention of the loss of natural resources originating or produced
2 in this state;

3 (2) contain an energy efficiency component;

4 (3) include the use of solar, wind, or other renewable
5 energy sources; ~~or~~

6 (4) recover waste heat from the combustion of natural
7 resources and use the heat to generate electricity; or

8 (5) systems that reduce flaring emissions and other
9 site emissions.

10 (b) Projects that include more than one of the criteria
11 described by Subsection (a) shall be given a greater preference in
12 the award of grants under this chapter.

13 (c) The commission may give preference under Subsection (a)
14 only if the cost-effectiveness and emission performance of the
15 project are comparable to those of a project not claiming a
16 preference described by that subsection.

17 SECTION 4. Section 391.301, Health and Safety Code, is
18 amended to read as follows:

19 Sec. 391.301. RESTRICTION ON USE OF GRANT. A recipient of a
20 grant under this chapter must use the grant to pay the incremental
21 costs of the purchase, rental and installation of the project for
22 which the grant is made, which may include reasonable and necessary
23 expenses for the labor needed to install emissions-reducing
24 equipment. ~~[The recipient may not use the grant for the costs of~~
25 ~~operating and maintaining the emissions-reducing equipment].~~

26 SECTION 5. The changes in law made by this Act apply only to
27 a Texas emissions reduction plan grant awarded on or after the

1 effective date of this Act. A grant awarded before the effective
2 date of this Act is governed by the law in effect on the date the
3 award was made, and the former law is continued in effect for that
4 purpose.

5 SECTION 6. This Act takes effect September 1, 2021.